LOCAL TRANSFER CONDITIONS
MACINTYRE BROOK WATER SUPPLY SCHEME

These local transfer conditions are to be read in conjunction with the transfer conditions as set out on pages 2 and 3 of the application form for "Transfer of Account Balance (Temporary Transfers)" and/or "Cap/Water Transfers".

The following package of transfer options is available to all SunWater customers;

1. Bulk Share customer [seller] to a Bulk Share customer [buyer]
2. Bulk Share customer [seller] to an Individual Continuous Share (ICS) customer [buyer]
3. An ICS customer [seller] to an ICS customer [buyer]
4. An ICS customer [seller] to a Bulk Share customer [buyer]

The conditions and rules that apply for these transfers are set out under each option. If you are unsure of the transfer arrangements that apply to you, please call your local office on 13 15 89 for clarification **prior** to lodging your application.

1. Bulk Share customer [seller] to a Bulk Share customer [buyer]

- Temporary transfer of water is permitted provided the total potential water use volume in a water year for each zone does not exceed the maximum allowable use volume for each zone as specified in s119, Table 11 of the Border Rivers ROP (March 2008).

- The total potential water use volume for a zone is equal to the total volume of annual resource cap for the zone adjusted for any seasonal water assignments ("cap transfers" and "temporary transfers") applicable to that zone.

- All temporary transfers will be transacted as an "at offtake" volume. The volume available to the buyer at their offtake is calculated as follows;

$$\text{Volume available to the buyer (at offtake)} = \text{Volume offered by seller (at offtake)} \times \frac{\eta_{s\ buyer}}{\eta_{s\ seller}} \quad \text{.....(1)}$$

Where;
$\eta_{s\ buyer}$ - storage factor that applies to the location of buyer
$\eta_{s\ seller}$ - storage factor that applies to the location of seller

Relevant storage factors from the table below will be applied {Table 4 of the Border Rivers ROP- March 2008}.

ROP Zone	Storage Factor (η_s)
Macintyre Brook Zone A	1.00
Macintyre Brook Zone B	0.85
Macintyre Brook Zone C	0.65

- The seller's account balance will be reduced by the nominated transfer volume and the buyer's account balance will be increased by the volume as calculated from equation (1) above.

For example,

The seller is located in Macintyre Brook Zone C and the buyer is located in Macintyre Brook Zone B. The volume offered by the seller = 50 ML (at offtake). Therefore the volume available to the buyer from this temporary transfer = 50 x 0.85/0.65 ML = 65.38 ML (at offtake).

Seller's account balance prior to transfer = 80ML
Seller's account balance post transfer = 30ML (= 80 – 50)
Buyer's account balance prior to transfer = 40ML
Buyer's account balance post transfer = 105.38ML (= 40 + 65.38)

2. Bulk Share customer [seller] to an ICS customer [buyer]

In order to facilitate the temporary transfer of water, a zero water allocation, bulk share account must be created for the buyer (i.e. for an existing ICS customer) unless the buyer is already an existing bulk share water account holder. This means that the temporary transfer of water occurs between two water accounts within the bulk share and the temporary transfer arrangements and conditions detailed in **Option 1** above apply for this transfer.

Please note that the processing of the temporary transfer application (i.e. approval/rejection) will occur within 5 business days of a zero allocation contract has been signed by all parties.

Contact your local SunWater Office to obtain further details regarding the management of your water accounts.

3. An ICS customer [seller] to an ICS customer [buyer]

a) Cap Transfers

- Transfer of unused annual resource cap (cap transfer) is permitted provided the total potential water use volume in a water year for each zone does not exceed the maximum allowable use volume for each zone as specified in s119, Table 11 of the Border Rivers ROP (March 2008).

- The total potential water use volume for a zone is equal to the total volume of annual resource cap for the zone adjusted for any seasonal water assignments (cap transfers and temporary transfers) applicable to that zone.

- All cap transfers will be transacted as an "at offtake" volume. The volume available to the buyer at their offtake is calculated as follows:

$$\text{Cap available to the buyer (at offtake)} = \text{Cap offered by seller (at offtake)} \times \frac{\eta_{c\ buyer}}{\eta_{c\ seller}} \quad \textbf{.....(2)}$$

Where:
$\eta_{c\ buyer}$ - Cap adjustment factor that applies to the location of buyer
$\eta_{c\ seller}$ - Cap adjustment factor that applies to the location of seller

Relevant cap adjustment factors from the table below will be applied {Table 9 of the Border Rivers ROP-March 2008}.

ROP Zone	Cap Adjustment Factor (η_c)
Macintyre Brook Zone A	1.00
Macintyre Brook Zone B	0.85
Macintyre Brook Zone C	0.65

- The seller's unused remaining cap balance will be reduced by the nominated cap transfer volume. The buyer's cap balance will be increased by the volume determined from equation (2) above.

For example,
The seller is located in Macintyre Brook Zone C and the buyer is located in Macintyre Brook Zone B. Cap offered by seller = 20 ML. Therefore cap available to the buyer from the cap transfer = 20 x 0.85/0.65 = 26.15 ML.

Seller's cap account balance prior to transfer = 90ML
Seller's cap account balance post transfer = 70ML (= 90 – 20)
Buyer's cap account balance prior to transfer = 30ML
Buyer's cap account balance post transfer = 56.15ML (= 30 + 26.15)

b) Water Transfers

- Transfer of available water (water transfer) is permitted provided the buyer has sufficient air space in their water account.
- The airspace for a water account is determined to be equal to the buyer's continuous share volume less the "at Dam" equivalent volume of water for that account.
- All water transfers will be transacted as an "at Dam" volume. This means that the volume of water debited from the seller's account (at Dam) will be equal to the volume of water deposited in the buyer's account (at Dam). The volume available to the buyer is calculated as follows:

Volume available to the buyer (at Dam) = Volume offered by seller at (Dam)**……(3)**

For example,
The seller is located in Macintyre Brook Zone C and the buyer is located in Macintyre Brook Zone B. The volume of water offered by the seller = 50 ML (at Dam).
Therefore the volume available to the buyer from this water transfer = 50 ML (at Dam).

4. An ICS customer [seller] to a Bulk Share customer [buyer]

To facilitate the transfer of either Cap or Water;

- The buyer and seller must agree on a lease arrangement for leasing in part or in full a seller's nominal volume.
- The seller must be aware that prior to a lease arrangement is agreed upon that the seller may require to subdivide their water allocation.
- This lease arrangement must be registered with the Department of Environment & Resource Management (DERM).
- An application for transfer can only be lodged with SunWater upon the lease being registered.
- SunWater will assess the application in accordance with the seasonal assignment rules contained in the ROP including the local conditions detailed in section 4(a) or 4(b) as appropriate.

Contact your local SunWater Office to obtain further details regarding the management of your water accounts.

a) Cap Transfers

- Transfer arrangements details under Option 3(a) above apply for all applications related to cap transfers.
- If the transfer is approved then SunWater will determine new continuous share volumes for the buyer (lessee) and seller (lessor) in accordance with Chapter 4, Division 1 of the Border Rivers ROP.
- SunWater will create a new individual continuous share water account (I e. new water account ID) for the buyer (lessee). This means that the transfer of cap occurs between two individual continuous share accounts.
- At the end of the lease period any unused resource cap remaining in the buyer's account (lessee) will be credited to the seller's account.

b) Water Transfers

- Transfer arrangements details under Option 3(b) above apply for all applications related to water transfers.
- If the transfer is approved then SunWater will create new continuous share volumes for the buyer (lessee) and seller (lessor) in accordance with Chapter 4, Division 1 of the Border Rivers ROP.
- SunWater will create a new individual continuous share water account (i e. new water account ID) for the buyer (lessee). This means that the transfer of water occurs between two individual continuous share accounts.
- The buyer (lessee) should be aware that sufficient cap must be available for the buyer to use water available in their account.
- At the end of the lease period any unused water remaining in the buyer's account (lessee) will be credited to the seller's account.

Prohibited Transfers:

- Seasonal Water Assignment of a water allocation with the purpose "Bulk Water Supply commitment" is prohibited.
- Seasonal Water Assignment from an Individual continuous Share account to an individual account managed within the bulk share account is prohibited.

Seasonal Water Assignments

Cap transfers and temporary transfers are considered to be seasonal water assignments under the Queensland Water Act 2000 and are applicable in the water year in which the application is approved.

Capacity Constraints

Not applicable.

Transfer Adjustment Fee, Storage Charges Fee, Water Charges

There is no transfer adjustment fee for this scheme at this point in time. Storage Charges Fees are not applicable for this scheme.

The seller's Part A fixed charge will be reduced by the nominal volume involved in the lease for the duration of the lease. The buyer's Part A fixed charge will be increased by the nominal volume involved in the lease for the duration of the lease.

Other

Additional restrictions on the delivery of the water may be applied, for example, in extremely dry conditions or when there is a marked transfer of water to high loss areas, at SunWater's discretion.